AGREEMENT
BY AND BETWEEN

PACIFIC SHIP REPAIR & FABRICATION, INC.

AND

THE METAL TRADES DEPARTMENT OF THE AFL-CIO, THE PACIFIC COAST METAL TRADES DISTRICT COUNCIL, AND THE PUGET SOUND METAL TRADES COUNCIL

FROM JULY 1, 2012 THROUGH JUNE 30, 2017

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SCHEDULE "A" – CLASSIFICATIONS 7/1/2012

DRUG & ALCOHOL POLICY

Terminates: June 30, 2017

AGREEMENT
by and between
Pacific Ship Repair & Fabrication, Inc.
and
The Metal Trades Department of the AFL-CIO,
The Pacific Coast Metal Trades District Council and the Puget Sound Metal Trades Council from July 1, 2012 through June 30, 2017

PREAMBLE

This Agreement, made and entered in to this 1 day of July, 2012, by and between, Pacific Ship Repair & Fabrication, Inc., hereinafter called the "COMPANY" and The Metal Trades Department of the AFL-CIO, The Pacific Coast Metal Trades District Council and Affiliated Unions, the Puget Sound Metal Trades Council and Affiliated Unions and the International Unions signatory hereto, hereinafter collectively called the "UNIONS".

ARTICLE 1
Scope of Agreement

1.1 This Agreement shall cover all production, repair and maintenance employees within the bargaining unit in the employ of the Company signatory hereto, and shall apply to all work and activities of the Company in connection with the construction, conversion, repair or scrapping of any vessel within the state of Washington including, but not limited to, dredges, floating drydocks, offshore drilling vessels, barges, mobile drilling platforms, and all auxiliary equipment used in conjunction therewith, and any and all commercial fabrication, manufacturing, and commercial services of the Company located in the state of Washington. Any Unit employee directed by the Company to work at any other location shall remain covered by this Agreement.

ARTICLE 2
Subcontracting

2.1 While it is the intent of the Company to have all available work performed by its employees where all things are equal, the Company retains the right to subcontract work. A permanent committee will be formed consisting of workers, Unions and management to investigate how to increase the amount of available work which is performed by the employees of the shipyard. This Committee will assist the company in making determinations on time-critical and manpower supplied contracts.

ARTICLE 3
Recognition, Union Security, Hiring

3.1 Recognition - The Company recognizes the Union(s) signatory hereto as the sole collective bargaining agent(s) for its members employed by Pacific Ship Repair & Fabrication, Inc. in any of the classifications contained in Schedule "A" of this Agreement and employed on work covered by the "Scope of Agreement".

3.2 Union Security - Employees, within thirty-one (31) days from the date of their employment shall, as a condition of continued employment with the Company, become members of the respective Local Union and maintain their membership in good standing therein. If an employee fails to become a member of the Union by the thirty-first (31) day from the date of his employment, he shall be terminated by the Company upon written request of the union.

3.3 Hiring

(a) The Company agrees that when additional employees are required, the appropriate Local Union will be given twenty-four (24) hours notice in advance to refer applicants for employment. Such notice, including the number and qualifications of the employees required shall be given by the Personnel Department or other designated representative of the Company. The Union agrees that it will, upon the request of the Company, refer experienced applicants, when available, to the Company for the classifications covered by this Agreement. When requesting applicants from the appropriate Local Union, the company will designate the location(s) where the work is to be performed. Employees will not work at locations other than the location(s) designated at the time they are requested. If work for an employee is no longer available at any of the designated location(s), the employee will be laid off observing the seniority requirements of Section 4.

(b) (1) The Company and Union agree that there will be no discrimination in employment because of race, creed, color, national origin, age, or sex, or disability. The Union recognizes that it has the same responsibilities under the Americans with Disabilities Act as has the Company, and agrees to cooperate with the Company to achieve mutual compliance. Compliance with State and/or Federal laws shall not be discrimination under this subsection.

(2) Selection of applicants for referral to jobs shall not be based on or in any way affected by Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies, or requirement.

(3) The Company retains the right to reject any job applicant referred by the Union. The Company may discharge any seniority employee for just and sufficient cause.

(4) The Union agrees that it will not discriminate against non-Union workmen in referring workmen to the Company, and the Company agrees that he will not discriminate against Union workmen in selecting job applicants referred to him by the Union.

(5) A copy of this Agreement shall be posted at the employment office of the Company and at the place where the appropriate local Unions conduct the operation of referring persons for employment under this Agreement.

(6) The Company may request any unemployed workman by name and the Union shall refer such workman subject to the provisions set forth in Article 4, Seniority.

(7) If the Company hires persons other that those referred by the Union, he shall advise the appropriate Local Union within five (5) working days after such person is hired as to the name, address, social security number, date of hire, classification, and rate of pay of such employee. The same information shall be furnished in writing within five (5) working days after the termination of such employee.

(8) All employees referred to the Company by the Union under this Article shall submit to the making of such records as are, or may be required by the Company for the purpose of identification.

(9) The Union and the Company agree to hold each other harmless from any money damages and penalties assessed against them by any government agency or court of law because of any charge of unfair labor practice or act where such practice or act was proximately or solely caused by the Union or the Company.

3.4 The Company shall be entitled to draw employees from its San Diego operations, on a temporary basis not to exceed sixty (60) days, should the Union be unable to provide manpower as required by the Company or if the job is time-sensitive and the Unions cannot supply manpower able to work in time to support the contract. The Company and the Union shall mutually agree if, and when the need arises to draw employees from San Diego. Employees covered by this agreement will, on a craft-by-craft basis, be utilized to replace employees from San Diego when they become available and will not be laid-off due to lack of work which is being performed by the San Diego employees. The Company shall, at any time, be entitled to augment the trade leadership with existing leadmen and foremen from its San Diego operations, on a temporary basis not to exceed sixty (60) days. Employees from the Company's San Diego operations when working in the State of Washington are not covered by this Agreement.

ARTICLE 4
Seniority

4.1 Employees shall be entitled to seniority when they have completed at least ninety (90) cumulative working days in a nine (9) month period subsequent to their day of hire, subject to Section (d) below. Prior to attaining seniority, an employee shall be considered probationary. The date of hire shall be considered the employee's first day on payroll either at the company's San Diego operations or Washington State operations.

4.1.1 An employee's seniority date shall be established as the first calendar date worked within the nine (9) month window period within which the employee acquires seniority.

> For example: If any employee starts in January, he has until the end of September to qualify for seniority. If at the end of September he has not qualified for seniority, then the nine (9) month period is extended to the month of October, and the month of January is dropped.

4.2 The continuous nature of an employee's seniority shall not be broken by reason of layoff, vacation, approved leave of absence, and absence for proven sickness or injury, except as provided below:

> (a) If the employee is discharged for cause. Discharge for cause includes, but is not limited to, unsatisfactory job performance, discipline issues, attendance problems, or failure to maintain qualifications, certifications, or access to facilities where required to perform work.
>
> (b) If the employee quits.
>
> (c) If the employee fails to report to work at the time specified by the Company or within 48 hours (Saturday, Sunday, and holidays excluded) after the Company sends a notice to the last telephone number or address shown on the Company's records. The Company's notice shall be effected by telephone when possible; in the event the employee is not contacted by phone, the Company shall notify the employee by means of verifiable communications (certified letter, courier, telegraph, etc.). The appropriate union shall be notified when such recall notice is sent to the employee.
>
> (d) Any employee absent for three (3) consecutive workdays without notification and furnishing a justifiable reason for such absence shall be considered to have voluntarily terminated his employment. Exceptional cases will be handled on their merit.

(e) If the employee is off the active Company payroll for a period of more than twelve (12) months for any reason whatsoever.

4.3. Ten Day Call: The Company will notify the Union of personnel needed. The Union will recall employees by seniority and the employee may decline the ten-day-or-less recall without forfeiture of seniority. In the event the Union does not receive confirmation of recall from the employee after attempting to contact by telephone, the Union will continue the recall until the job is manned. In the event the Union does not effect the recall and report back to the Company by the end of the day, the Company will effect the recall direct. Ten Day Call does not apply to employees on temporary layoff or standby.

4.4 The Company shall be entitled to retain Leadmen and classifications above Leadmen paid on an hourly rate without regard to seniority.

4.5 Seniority shall apply by classification of the craft or union as set forth in this Agreement, and by such sub-classifications as may be agreed upon by the Company and the appropriate Union.

4.6 On layoffs and recalls in any classification or agree sub-classification, the rule of seniority shall prevail where ability, competency, qualifications and other factors relating to job performance are equal.

4.7 Employees promoted to any higher classification or to Leadmen or classifications above Leadman paid on an hourly basis shall continue to accrue seniority in the classification from which they are promoted during the time they serve in such capacity.

4.8 Employees promoted to jobs outside the bargaining unit shall retain such seniority as they had in the classification from which they were promoted as of the day of promotion.

4.9 The Company will furnish a current seniority listing upon a request, no more than quarterly, to each appropriate Union properly identifying employees by craft classification under this Agreement. These quarterly lists shall be posted at the Bremerton and Everett facilities in an area accessible to all employees.

4.10 Employees returning to the Company after an injury leave shall return to their previous position regardless of seniority status.

4.11 If two or more employees hired on the same date obtain their ninety (90) days worked within nine (9) months, the employee who achieves their required ninety (90) days worked closest to the hiring date shall be placed on the seniority list first. In the event that two or more employees achieve the ninety (90) day requirement on the exact date, the Company shall determine the order of seniority and notify the affected employees within five (5) days.

4.12 An employee may decline a recall without forfeiture of seniority if the recall specifies only a single location and that location is more than two (2) hours travel time distant from the employee's residence or, if the recall specifies multiple locations, and all of those locations are more than two (2) hours travel time distant from the employee's normal place of employment (as defined in 20.1).

ARTICLE 5
Leading Men

5.1 Leading men in all departments shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability, and shall be journeyman and/or mechanics and shall be members of their respective Union. In addition, the immediate supervisory classification above that of leading men when paid on an hourly wage rate basis, in all departments, shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability, and shall be journeymen and/or mechanics and shall be members of their respective Union.

5.2 The compensation for leading men shall be as set forth in Schedule "A". The compensation for immediate supervisory classification above that of leading men, when paid on an hourly wage rate basis shall be in accordance with established company practice. The activities and assignments of leading men and supervisors mentioned herein above shall not be restricted, nor shall they be extended during overtime periods to the end that they are used to replace workmen in the performance of overtime work.

5.3 The intention of the parties signatory to this Agreement is to continue to use the classification above Leading Men, Leading Men, and mechanics already assigned in the completion of work which extends into overtime periods except in emergency situations.

5.4 It is the intention of the Company not to eliminate the immediate classification above Leading Men and the classification of Leading Men to substitute salaries personnel for such classifications.

ARTICLE 6
Standard Day Shift Hours

Forty (40) hours shall constitute a normal work week, eight (8) hours per day, five (5) days per week, Monday to Friday, inclusive, between the hours of 5:00 A.M. and 6:30 P.M., except that where conditions render it desirable to start the day shift at an earlier hour, such starting time may be made earlier by agreement between the Company and the Union.

ARTICLE 7
Shifts

7.1 Shift work shall be permitted in all classifications, without restrictions, on the following basis:

7.2 Regular starting times of the day shift shall be between 6:00 A.M. and 10:00 A.M. where the nominal normal start time is 6:00 A.M. An employee's regular starting time shall remain in effect for the duration of the workweek; however, once during the workweek the Company may temporarily change the starting time within the 6:00 A.M. to 10:00 A.M. range. Temporary starting times shall apply to all shifts. Shift hour changes other than provided within this provision shall be made only with the approval of the Union. The Company will provide as much advance notice of starting time change as feasibly possible.

7.3 Employees transferred from one shift to another, unless relieved from work at least eight (8) hours before starting their new shift, shall be paid the overtime rates for the first such shift worked. No employee shall be transferred from his regular assigned shift to another shift more than once a work week, except however, he may be returned to his regular assigned shift, except in extreme emergency or shortage of manpower.

7.4 Employees required to work overtime, unless relieved from work at least eight (8) hours before starting to work on their next regular shift, shall be paid the overtime rate for the next such shift. However, in the event an employee is advised to report to work later than his normal starting time for the purpose of allowing him at least a full shift relief, he shall be guaranteed a minimum of eight (8) hours straight time pay for that shift.

7.5 First or Regular Daylight Shift:
An eight and one-half (8 ½) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) times the regular hourly rate.

7.6 Second Shift:
An eight and one-half (8 ½) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full second shift period shall be a sum equivalent to eight (8) times the regular hourly rate plus the second shift premium as set forth in Schedule "A".

7.7 Third Shift:
A seven (7) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full third shift period shall be a sum equivalent to (8) times the regular hourly rate plus the third shift premium as set forth in Schedule "A".

7.8 Optional Workweek (4/10's)
A four (4) day, forty (40) hour workweek may be established or special work schedules arranged for a portion of the entire crew to accommodate specific needs of the company

or employees. In administering the four-day, forty-hour workweek, the following conditions shall prevail:

(a) Overtime shall be paid for any hours worked in excess of ten (10) hours per day or forty (40) hours per week.

(b) Vacation benefits shall be accrued and expended on an hourly basis.

(c) Holidays shall be granted in accordance with Article 9 of the Agreement.

(d) If a holiday falls on a Saturday or on a Friday that is the normal day off, then the holiday will be taken on the last normal workday. If the holiday falls on a Monday that is the normal day off or on a Sunday, then the holiday will be taken on the next normal workday, etc.

(e) For ease of payroll administration, all scheduled 4/10 employees eligible for holiday pay will be paid ten (10) hours holiday pay for holidays.

7.9 Optional Workweek (3/12's)
The optional workweek of ten (10) hour shifts Monday through Thursday may be used in conjunction with twelve (12) hours shifts Friday through Sunday. Employees working these shifts will be paid at the straight-time rate for hours worked. Employees working in excess of the established shift hours will be paid at the applicable overtime rate. When three twelve hours shifts are worked at straight-time Friday through Sunday, forty (40 hours will be credited for purposes of compensation, vacation, holiday and all fringe benefit funds such as health and pension plans.

7.10 The Puget Sound Metal Trades Council will be notified in advance and must mutually agree to a modified workweek under Section 7.8 and/or 7.9.

ARTICLE 8
Wage Scales

8.1 Company agrees to pay to its employees and the Union agrees that its members employed by Company will accept the wage scales for the various classifications set forth and contained in Schedule "A" of this Agreement.

8.2 The wage scales herein established shall be considered as minimum wage scales. The payment of higher wages shall be at the discretion of the Company.

8.3 All employees shall receive the classification general wage increase under Schedule (A) on the date(s) specified.

ARTICLE 9
Overtime

9.1 All time worked over forty (40) hours per week or eight (8) hours per day, Monday through Friday, shall be paid at the rate of time and one half (1 ½) the straight time regular rate except as follows: Overtime at the rate of one and one-half (1 ½) times an employee's established hourly rate as set forth in Schedule "A" paid for all work performed outside or in excess of eight (8) hours, but less than ten (10) hours on Monday through Friday and less than ten (10) hours on Saturday. Overtime at the rate of two (2) times an employee's established hourly rate shall be for all work performed on a Sunday, a holiday, or in excess of ten (10) hours on Monday through Saturday.

9.2 Employees required to work around the clock (three shifts) and required to continue work through their regular assigned shift, shall continue to receive pay at the overtime rate.

9.3 Lunch Periods:

(a) Mid-shift meal period, non-overtime situation:
An employee required to work during his regular mid-shift period shall be given an earlier or later meal period no more than one (1) hour earlier or later on the employee's time. In the event the altered meal period exceeds one hour earlier or later, a meal period of 30 minutes shall be given no more than two (2) hours beyond the normal time and be paid at the straight time rate. This provision shall not apply to employees engaged in vessel handling or shifting, or activities in the drydock which directly affect docking and undocking schedules.

(b) The above procedure shall apply to the mid-shift meal period on Saturday, Sunday, and Holidays.

(c) Meal periods for daily overtime situations:
In the event an employee works more than two (2) hours of continuous daily overtime, he shall be given an additional meal period of 30 minutes on the employee's time. If the meal period is not given by the end of the third (3rd) hour of continuous overtime, the employee shall be provided a 30 minute meal period at the straight time rate. Employees who continue to work overtime shall be allowed a meal period of 30 minutes on the employee's time for each additional four (4) hours continuously worked following the aforementioned meal period.

ARTICLE 10
Holidays

10.1 Each employee shall receive eight (8) times his regular straight-time hourly shift rate of pay for the following holidays, provided:

(a) The employee worked his last regularly scheduled work day prior to and his first scheduled work day following the holiday. Exception will be made in cases where absence on the work day prior to or the work day following was due to industrial injury, bona fide illness covered by a doctor's certificate, approved leave of absence, or temporary layoff, provided the employee's absence from work for the purpose of this exception by reason of any of the above causes is not for a total period in excess of two weeks. For purposes of this Section, temporary layoff shall be considered as one of two weeks or less in duration. It is understood that any employee off work due to industrial injury or bona fide illness who is receiving time loss payments shall receive compensation under this Article in the appropriate amount to insure that the employee's compensation for the holiday does not exceed the amount he would have received if he had been working.

(b) The employee has been in the employ of the Company for thirty (30 calendar days immediately preceding the holiday.

10.2 The following Ten (10) days shall be recognized as paid holidays: NEW YEAR'S DAY, DAY BEFORE or AFTER NEW YEAR'S DAY, PRESIDENT'S DAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, THANKSGIVING DAY, FRIDAY AFTER THANKSGIVING, CHRISTMAS DAY, DAY BEFORE or AFTER CHRISTMAS DAY. The Company shall designate the holiday observance day for the "BEFORE or AFTER NEW YEAR'S DAY" and "BEFORE or AFTER CHRISTMAS DAY".

10.3 All time worked on the aforesaid holidays shall be compensated at two (2) times the regular straight-time hourly rate.

10.4 Should any of the above holidays fall on Sunday, the day observed by the Nation shall be considered a holiday and compensated accordingly. In cases where the above listed holidays fall on Saturday, the preceding Friday shall be observed as the holiday.

10.5 Should any of the above holidays fall within the vacation period of an employee, he shall be paid as set forth above for such holiday. It is understood that employees may be allowed to add an additional day contiguous to his/her vacation period if arranged in advance with the Company.

ARTICLE 11
Vacations

All employees covered by this Agreement shall receive vacations with pay as follows:

11.1 Computation of vacation pay. Vacation pay shall be computed at the following percentages of the actual hours worked except as to third shifts - see footnote (a)

multiplied by the employee's established straight time hourly wage (exclusive of shift premiums) being received by the employee at the time the vacation is taken:

a)	1st Year Period	3%
b)	2nd Year Period	3 ½%
c)	3rd Year Period	4%
d)	4th Year Period	4 ½%
e)	5th Year Period	5%
f)	6th Year Period	6%
g)	10th Year Period through 14th Year Period	6 ½%
h)	15th Year Period through 19th Year Period	7 ½%
i)	20th Year Period and thereafter	8%

(Footnote a: For the third full shift worked, an employee shall be credited with eight (8) hours in computing his vacation allowance)

11.2 To advance from the one percentage vacation benefit to the next higher percentage, an employee is required to work 1,000 hours or more in the employ of the Company in each anniversary year. (For example, an employee must work 1,000 hours in three (3) anniversary years to receive the four percent benefit; upon attaining the 1,000 hours in the third year, the vacation benefit for that year will be four percent.

An employee working less than 1,000 hours in an anniversary year will remain at the vacation benefit percentage at which he began that year.

11.3 The vacation year for vacation pay, time and hours worked, shall be defined as the employee's anniversary date of employment.

11.4 Vacation periods shall be taken at a time mutually agreeable between the Company and the employee.

11.5 Vacation pay accruing to an employee shall be paid to the employee upon request and two (2) weeks notice. Upon termination, accrued vacation pay shall be paid in full.

11.6 Where separate vacation paychecks are not provided, the withholding tax will be adjusted to account for the vacation payment.

ARTICLE 12
No Limits on Production

There shall be no contract, bonus, piece or task work, nor shall there be a limit on, or curtailment of production or any self-imposed restrictions placed or imposed by any Union.

ARTICLE 13
Dirty Work

13.1 The parties recognize the nature of work within the shipyard industry requires working in condition more dirty, disagreeable, and unpleasant than in other industries in the trades. Therefore, it is the intent of the parties to limit the applicability of dirty pay to journeymen, mechanics and helpers in situations that are exceptionally dirty, disagreeable, or unpleasant relative to shipyard work. The Company shall determine in advance what areas warrant dirty pay, but shall not exercise this prerogative arbitrarily. It is not the intent of this provision to discontinue the use of tank cleaning and other cleaning services. The dirty pay penalty will be paid at the rate of time and one-half (1 ½), with the exception of laborers who shall be paid in accordance with Schedule "A". However, when cleaning or working in septic tanks containing human waste, or in the course of assigned work an employee comes into physical contact with human waste, double time (2T) shall be paid for all classifications.

13.2 When en employee's clothing or body becomes soaked or contaminated with human waste, water or oil due to circumstances beyond his(her) control, and when the incident is properly reported, the employee shall be given a reasonable opportunity, on the Company's time, to clean up and/or change clothing. When circumstances require the employee to leave the yard or job site (outside job), he(she) shall be compensated (not to exceed two (2) hours) at the normal straight-time rate. If the incident occurs less than two (2) hours before the end of the shift, he(she) shall be paid at the straight-time rate until the end of the shift.

ARTICLE 14
Maintenance Work

14.1 Maintenance work shall be performed at the wage rates and conditions herein established. Maintenance work shall consist of maintenance of all yard and plant facilities.

14.2 Incidental construction work may be performed by the bargaining unit at the shipyard rate. This understanding is intended as a means to help in retaining bargaining unit employees on the active payroll, such as during periods of low production work levels.

ARTICLE 15
Reporting Pay and Minimum Pay

15.1 Employees starting a shift or called and starting to work after the starting time of a shift shall receive not less than four (4) hours pay. Shift hours shall not be reduced arbitrarily.

15.2 Employees required to report for work not continuous with their regular assigned shift hours, or on Saturday, Sundays, and holidays shall receive not less than four (4) hours pay at the straight time rate.

15.3 Employees required to report for work and not used, shall receive four (4) hours straight time pay.

15.4 The foregoing rules (a), (b), and (c) shall not apply where an employee is not put to work because of bad weather or breakdown of machinery, acts of God, or other circumstances beyond the control of the Company which prevent the performance of work, except that this shall not be construed to cover failure to have work or vessel available.

15.5 Employees who quit, are laid off or are discharged for cause shall be paid only for actual hours worked.

15.6 Employees not at work on the day a shutdown or layoff occurs, shall be considered to have received notification of such shutdown or layoff that they would have received if they had been working.

15.7 In the event the Foreman requests the employee who has reported for work at his regular starting time and in unworkable weather to remain on the premises with the expectancy of starting work later if the weather clears, such employees shall be paid for such waiting time which in no cause shall be less than four (4) hours pay at his regular rate of pay.

ARTICLE 16
Health and Safety

16.1 The Company shall comply with all safety, health and sanitation measures as required by the Washington Industrial Safety and Health Act and the Federal Occupational Safety and Health Act.

16.2 Prompt ambulance service and first aid to injured workers shall be proved on all shifts and a safety man shall be employed and made responsible for the proper enforcement of safety rules. All first aid personnel shall be identified and signs indicating location of first aid stations shall be posted.

16.3 An employee suffering an industrial injury who is advised not to resume work by a nurse, first aid attendant or by a physician to whom he has been referred, shall be paid on his usual basis, pursuant to the terms of this Agreement, to the end of the shift on which the injury occurred; if such employee had reported such injury immediately following its occurrence to the nurse, first aid attendant, or physician designated by the Company and had completed working the shift during which he was so injured, and on the following day, after reporting for work is advised by the nurse, first aid attendant or physician to whom he has been referred by the Company not to continue work because of said injury, he shall be paid to the end of said shift.

16.4 The Company shall notify the respective Union not later than the end of the next regular working day of lost time accidents to any of its members that necessitated confinement in any hospital or clinic, providing the Company has knowledge of such confinement.

16.5 It is understood that matters dealing with safety should be presented first to the Company and/or the safety committee prior to the matter being referred to governmental agencies.

16.6 No employee shall be unlawfully discriminated against in employment as a result of a physical examination. When an employee is directed by the Company to undergo a physical examination, the examination shall be paid in full by the Company and the employee shall be paid for his/her time. Pre-employment physicals shall be paid in full by the Company but the applicant shall not be paid for the time. Physical examinations will not be utilized for arbitrary reasons, only when there is a good-faith, reasonable doubt regarding the individual's medical fitness for work. Physical examinations shall not be utilized in lieu of disciplinary action, nor shall a physical examination be used in lieu of the Company's drug policy. The Union shall be notified when any employee is sent for a physical examination directed by the Company.

16.7 Employees shall attend weekly "gangbox" safety meetings at the worksite at such time and for such duration, not to exceed thirty (30) minutes, as designated by the Company, at Company's expense.

16.8 As a condition of employment, all job applicants and employees being recalled after an absence of 90 days or more must consent to a drug test at the Company's expense. Failure to consent removes the applicant or recalled employee from consideration for employment. Applicants or recalled employees who test positive for drugs or alcohol will not be hired.

Employees shall comply with the provision of the Company's Drug and Alcohol Policy (Policy Number 011 [Revision 7]) and acknowledge receipt and compliance to the policy.

ARTICLE 17
Quality Improvement

The Company is committed to a Continuous Quality Improvement Program and its existing ISO:2000 registration. Employees shall attend weekly "gangbox" Quality Improvement meetings at the worksite at such time and for such duration, not to exceed thirty (30) minutes, as designated by the Company, at the Company's expense.

ARTICLE 18
Union Representatives

The Business Representative of the various crafts shall have access to the Company's shipyard and shipyard shops by applying for permission through the designated office, provided they do not interfere or cause workmen to neglect their work. The Company shall assist the Business Representative in gaining access to all sites where the Company is working.

18.1 Shop Stewards - It is recognized by the Company that shop stewards are desirable for the proper administration of the terms of this Agreement. Company also recognizes that it is desirable that the person designated as steward shall receive his fair share of the work that he is qualified to perform. In no event shall the Company discriminate against a steward in the matter of layoffs or rehires or discharge him on account of the proper performance of his duties. Twelve (12) hours advance notice will be given the shop steward if he is to be laid off.

18.2 There may be designated by each Union one Chief Shop Steward on each shift who will be granted Super Seniority during his respective term of office. Such Chief Shop Steward shall have at least one (1) years of seniority, and be qualified to perform the work available.

18.3 The Company will not in any way discriminate against any shop steward or committeeman for presenting any complaint, dispute or grievance to their foreman or department head or to the Personnel Department in the manner provided for in this Agreement.

18.4 The Union shall advise the Company of the name or names of shop steward, currently elected or appointed. The full grievance procedure as set forth herein shall be available to any Union which feels that its shop stewards have been discriminated against.

ARTICLE 19
Pay Day

19.1 Pay days shall be weekly and shall pay for the previous week's work.

19.2 In case an employee is laid off, quits or discharged by the Company, he shall receive his pay in compliance with State Law.

19.3 Second shift employees are to be paid on Thursday each week. First and third shift employees no later than Friday morning.

19.4 Any error in an employee's pay check which is greater than fifty dollars ($50.00) shall be corrected by the Company within two (2) working days from the time the error was brought to the Company's attention; otherwise the error shall be corrected on the next regular pay day.

ARTICLE 20
Travel Time and Out of Yard Work

20.1 Place of Employment

(a) The company has two facilities in the Puget Sound Area: 8390 Barney White Road, Bremerton, WA and 13228 4th Avenue, Everett, WA and routinely performs work at other locations such as Puget Sound Naval Shipyard and Intermediate Maintenance Facility, Everett Naval Station, and Vigor Shipyard in Seattle. An employee's normal place of employment the is the location designated by the Company when the employee was requested from the appropriate Local Union. If no location was designated or multiple locations were designated, the employee's normal place of employment is either Bremerton (8390 Barney White Road, Bremerton, WA and Puget Sound Naval Shipyard) or Everett (13228 4th Avenue, Everett, WA and Naval Station Everett) based on which location is closest by travel time to the employee's residence.

(b) For jobs of more than one (1) working day in duration within Kitsap, Snohomish, Pierce, and King Counties, and at Port Townsend and Port Angeles the work site for that job will be considered the current place of employment for any employee assigned to that job.

(c) Employee are required to report for work at their normal or current place of employment without pay for travel time or for compensation for transportation.

20.2 Remote Site Work

(a) Remote site work is work performed an any place other than an employee's normal place of employment but within Kitsap, Snohomish, Pierce, and King Counties,

and at Port Townsend and Port Angeles (i.e., jobs within this area that are one day or less in duration).

(b) When employees are required to report for remote site work at the start of their work shift, the travel time to and from the remote site shall be considered as time worked and paid at the appropriate rate. The company shall provide covered transportation or pay mileage allowance at the maximum cents per mile allowed by the Internal Revenue Service plus any bridge tolls and ferry fares if the employee is required to furnish his own transportation to the work site.

20.3 Multiple Work Sites

If an employee is required to go between different work sites during his work shift, the travel time between work sites shall be considered as time worked and paid at the appropriate rate. The company shall provide covered transportation or pay mileage allowance at the maximum cents per mile allowed by the Internal Revenue Service plus any bridge tolls and ferry fares if the employee is required to furnish his own transportation between work sites.

20.4 Distant Place of Employment

(a) A place of employment is distant when it is two (2) hours or more one-way travel time distant from an employee's normal place of employment and is one (1) or more hours one-way travel time distant from the employee's residence.

(b) Employees will be reimbursed for documented ferry fares, bridge tolls, and parking expense when using their own transportation to report to work at a distant place of employment.

20.5 Extended Shift Work at Distant Place of Employment

(a) If an employee works a shift of twelve (12) hours or more at a distant place of employment, the company shall, at the company's option, either provide lodging for that day or pay reasonable lodging expenses for that day.

(b) If an employee works a shift of ten (10) or more hours at a distant place of employment and has worked at least five (5) ten (10) or more hour shifts during the prior seven (7) days, the company shall, at the company's option, either provide lodging for that day or pay reasonable lodging expenses for
that day.

20.6 Out of Area Work

(a) Out of area work is any work outside of Kitsap, Snohomish, Pierce, and King Counties, Port Townsend, and Port Angeles.

(b) Employees sent out of area for work shall receive reasonable board, lodging, and transportation. Transportation time to and from the out of area work site will be paid at the regular hourly rate.

20.7 Work At Sea on Vessels

(a) When employees are required to work at sea, they shall receive a minimum of twelve (12) hours pay per day, meals, and room accommodations when necessary. The first eight (8) hours shall be paid at the regular hourly rate, the next two (2) hours at one and a half (1½) times the regular hourly rate, and the last two (2) hours at two (2) times the regular hourly rate. Any hours worked at in excess of twelve (12) hours shall be paid at two (2) times the regular hourly rate. If employees are required to work outside of their regular assigned shift hours, or on Saturdays, Sundays, or holidays, they shall receive the greater of the established overtime pay rate for such time worked and the pay described in the prior sentence.

(b) For overnight trips where the vessel transits from one location to another location, assignment shall be voluntary.

Any payment resulting from the requirements of this Section shall be paid by the Company within five (5) working days from the time appropriate receipts and documentation were presented to the company.

The Company shall assist employees in organizing car/van pools and public transit programs.

ARTICLE 21
Welding

21.1 It is recognized that the autogenous process of welding, silver-brazing and burning are tools of the trades signatory to this Agreement, and the rates of pay shall be the same as the trades affected. Employees required to take a test shall be paid for the time for the test if they pass it successfully.

21.2 Where U. S. Certificate is required by the U.S. Coast Guard or other recognized agency for welding on pressure vessels, boilers and Class I piping as defined in the U.S. Marine Engineering Regulations and Material Specifications, the rate of pay shall be an additional fifty cents ($ 0.50) per hour over and above the journey rate for all time assigned to such certified welding jobs.

ARTICLE 22
Apprentice Program

The Company will recognize apprenticeship programs in effect on July 1, 2012; programs initiated subsequent to July 1, 2012 shall be by mutual agreement between the Company and the respective Union. The Company will contribute to the approved apprenticeship programs the sum of twenty cents (20) per hour for the hours worked by the respective trade employees to support the Union's approved apprentice programs.

ARTICLE 23
Strikes and Lockouts Barred

There shall be no lockouts on the part of the Company, nor suspensions of work on the part of the employees. This Agreement is a guaranty that for its duration there will be neither strikes nor lockouts, and that all complaints, grievances or disputes arising under its provisions will be settled pursuant to its grievance machinery, Article 24, "Grievances and Complaints" and Article 25, "Arbitration of Disputes". Any action of the employees in refusing to go through a picket line for their own protection in case of an officially declared strike by some Union directly working on the job, if said strike is sanctioned and approved by the Puget Sound Metal Trades Council, shall not constitute a violation of this clause of the Agreement.

ARTICLE 24
Grievances and Complaints

STEP 1

The shop steward, committeeman or business representative shall call any complaint, dispute or grievance to the attention of the foreman or department head within five (5) working days from the time it arises. If the complaint, dispute, or grievance is not adjusted within two (2) working days after it is presented to the foreman or department head, the shop steward or committeeman shall report such complaint, dispute or grievance in writing over the signature of the complainant to his respective business representative within twelve (12) working days from the date the complaint, dispute, or grievance arose.

Within five (5) working days after the general manager or other official designated by the Company receives a communication in writing from the respective Union alleging violations of this collective bargaining agreement, the Company shall reply to the communication in writing. If the Company does not respond within five (5) days, the Union has the right to proceed to Step 3.

STEP 2

Within five (5) working days after the Company replies to the communication from the respective Union of a violation or violations of the collective bargaining agreement, a

business representative of the Union and the general manager of the Company, or other official designated by the Company, shall meet for the purpose of adjusting such complaint, dispute, or grievance. Any final decision reached by the Company representative and the Union business representative shall be reduced to writing.

STEP 3

If no satisfactory solution eventuates from Step 2 within five (5) working days, then either party may within five (5) days thereafter request in writing a meeting to beheld with representatives of the Company and representatives of the International Union involved I the dispute. Any settlement reached shall be final and binding.

STEP 4

If no satisfactory solution eventuates from Step 3 within ten (10) working days, then either party may within ten (10) days thereafter give written notice of arbitration to the other party.

24.1 Any complaint, dispute or grievance not brought up or carried forward to adjustment or arbitration as provided for in this Article shall, unless otherwise agreed in writing, be regarded as waived.

24.2 No employee shall refuse to work or otherwise curtail production or engage in any slowdown or interfere with Company's operations because of any complaint, dispute or grievance which he may have.

24.2 If the Company has any complaint, dispute, or grievance with any union or any employee covered by this Agreement, the Company shall likewise avail itself to any or all of the foregoing grievance procedure steps.

ARTICLE 25
Arbitration of Disputes

In the event the parties shall be unable to adjust any complaint, grievance, or dispute involving the express terms of this Agreement, such complaint, grievance, or dispute shall be referred to Arbitration. In the event the parties are unable to agree upon arbiter within five (5) days, the party desiring to arbitrate shall send a request by mail to the Director of the Federal Mediation and Conciliation Service requesting the Director to furnish a list of five (5) arbiters. Each party shall have the right to strike a total of two (2) names from the list, and the right to strike first shall be determined by lot, or as otherwise agreed by the parties, and each party shall alternately strike one name. The name remaining on the list after each party has stricken two (2) names shall be the arbitrator. The cost of the arbitrator shall be borne by the party whose position is not upheld by the arbitrator. In event of a split decision, the arbitrator shall determine the allocation of his fees. All other expenses shall be paid by the party incurring them. The decision of the arbitrator shall be final and binding upon the parties. Such decision shall be limited to interpretation and

application of the express terms of this Agreement, and shall not change or add to any of its terms or conditions. In his decision, the arbitrator shall specify whether or not the decision is retroactive and the effective date thereof, providing that in no case will the finding be retroactive beyond the date the grievance was filed.

ARTICLE 26
Jurisdiction

26.1 It is the intent of the parties to, in general, maintain the traditional craft jurisdictions within the yard. It is also recognized that the Company reserves the right to assign the work. It is further acknowledged that inefficiencies and standby time are detrimental to and not desired by either party and are to be eliminated whenever possible.

26.2 To exemplify the principals of section 26.1, the Company and Unions agree to jointly support a proactive Continuous Improvement Process, the goal of which is to improve all company work practices and methods in order to eliminate inefficiencies and reduce the cost of performing work; thereby allowing the Company to be as competitive as possible in its markets. To fully implement the Continuous Improvement Process the Company and Unions agree that the Company must organize, manage and perform all jobs in the most efficient/productive manner possible consistent with safety, skill requirements, and maximum utilization of available manpower. To help attain this goal the parties agree to the following:

(a) COMPOSITE CREWS
The parties agree to the use of composite crews where such crews will reduce the overall cost of doing work. Composite crews are defined as crews consisting of members of the various crafts which would be traditionally called upon to do the work at hand except these crew members would be allowed to "cross craft" to assist one another in order to optimize accomplishment of the job where their skills allow. Each job may be assigned a lead craft to meet budgets, schedules and direct composite crews in the completion of the jobs. For composite crews to work at maximum efficiency they must work cooperatively and in concert to accomplish the assigned work.

(b) CRAFT ASSIST
Craft assistance is defined as a craft assisting another craft in the performance of work items not normally assigned to his/her respective craft. It is intended to utilize craft assistance to increase efficiency, not to displace additional full time workers in another craft.

26.3 It is agreed that in the event of a dispute the Unions involved in such jurisdictional disputes shall be primarily responsible for the prevention of a stoppage of work. Any such disputes shall be settled by the Unions in accordance with the jurisdictional policy of the Metal Trades Department of the AFL-CIO.

ARTICLE 27
Health, Welfare, Dental and Pension Plans

27.1 The Company shall pay the amounts identified in Schedule "A" into jointly administered Health, Welfare, Dental, and Pension Trust Funds.

27.2 Upon failure of the Company to make any of the payments required by Article 27, the Union shall refer the matter immediately to the president of the Company upon the Union's notification by the Trust. In the event the Company does not make such payments within the time frame declared by the Trust, the Union shall at that time be free to exercise economic action against the Company to enforce payment, and such action shall not be deemed to be in violation of Article 23, Strikes and Lockouts Barred.

27.3 In the event a craft(s)' pension and/or health trust requires an increase of contributions to maintain benefits or the trust, the wage rates of such employees and craft(s) will be reduced under Schedule "A" an equal amount. Further, provided the majority of individual craft employees participating in a particular trust may elect, or not to elect, may divert, up to once during each contract year (July 1 - June 30) of the 2012-2017 Agreement from the employees' wage rates and the classification wage rates under Schedule A in order to increase pension contributions.

Any authorization of diversion must be:
a. In writing
b. Effective on the first day of a month with a minimum of five (5) working days notice.
c. Prospective in nature (not retroactively applied).

ARTICLE 28
Tools

28.1 Employees will be furnished tools. The employees shall be responsible for and take all responsible care and precaution to protect these tools from damage, loss, or theft. The Unions agree to cooperate with the Company in exercising the intent of this Article toward employees who are negligent with property supplied to them by the Company.

28.2 Employees shall have sufficient time prior to the end of such shift to put away tools on the Company's time. Determination of sufficient time shall be at the Company's discretion.

28.3 If the Company fails to furnish tools, then the Company shall pay each employee fifteen cents ($0.15) per hour for tools furnished by employees.

ARTICLE 29
Jury Service

29.1 An employee having seniority and on the active payroll and required by law to serve as a juryman shall, upon satisfactory proof to the Company of such service rendered, be reimbursed by the Company for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided, however, such Company reimbursement shall not be applicable to any period of time during which said employee-juryman did not perform work for the Company other than when prevented from doing so solely because of said jury service; and further provided that such Company reimbursement is, in no event, to be applicable for a period of more than eight hours in a standard workday, nor more than five days in a standard workweek.

29.2 In applying the forgoing, it is understood that if an employee is called for jury service, responds to the call, and loses time, but is not accepted for service or serves and is relieved therefrom by the middle of his work shift, the employee will be reimbursed by the Company for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance) provided he returns to his job immediately and promptly reports these facts to the Company; provided further that if an employee works his regular shift in addition to performing jury duty, he shall not be paid by the Company under the provision of this Article.

29.3 There shall be a maximum jury service benefit of eighty (80) hours for any one jury term.

ARTICLE 30
Funeral Leave

In the event a death occurs in the immediate family of any employee having been regularly employed for a period of ninety (90) days, the employee shall receive on (1) day off with pay. The immediate family shall be defined as wife, husband, son, daughter, mother, father, employee's mother-in-law or father-in-law. The intent of this benefit is for employees to attend or to make arrangements for the service of the deceased.

ARTICLE 31
Military Reserve Pay

All employees shall be granted a leave of absence in order to fulfill their obligations to serve in the military services of the United States, active or reserve, including any state or federal National Guard.

Employees required to report for Active Duty Reserve, National Guard Duty, or annual reserve Duty, after completing 90 days employment from date of hire, shall receive their regular hourly rate of pay not to exceed 120 hours per year. Evidence of service shall be presented to the Company.

ARTICLE 32
Warranty of Authority

The officials executing this Agreement on behalf of the Company and the Unions signatory hereto hereby warrant and guarantee that they have the authority to act for, bind, and collectively bargain in behalf of the organizations which they represent.

ARTICLE 33
Management Functions

Subject only to the specific provisions of this Agreement, the management of the plant and the direction of the working force and the assignment of work shall be the exclusive function of the Company, provided, however, this shall not be construed as limiting the Union's right under Article 23, Grievances and Complaints.

ARTICLE 34
Saving Clause

34.1 Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, provided, however, upon such invalidation the parties agree immediately to meet and negotiate such parts or provisions affected. The remaining parts or provisions shall remain in full force and effect.

34.2 Any traffic demand management constraints or penalties imposed upon the Company shall be considered to fall within the scope of this Article; therefore, waiving any requirements under Article 6, "Standard Day Shift Hours," or Article 7, "Shifts," regarding hours within which work must be performed. The Company shall meet and discus with the affected Union(s) any work schedule changes.

34.3 This written Agreement shall comprise the entire agreement between the parties. No other agreements shall exist unless they are contained within or attached to or subsequently attached to this Agreement.

ARTICLE 35
Effective Date and Duration of Agreement

This Agreement will become effective on July 1, 2012, unless otherwise provided herein, and shall remain in full force and effect until June 30, 2017 and from year to year thereafter, unless either party shall at least sixty (60) days, but not more than ninety (90) days prior to July 1, 2017 or any subsequent anniversary date, notify the other party in writing of a desire to change, modify, or terminate the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this _____ day of _____, 2012 at Bremerton, Washington.

For The Employer:

Pacific Ship Repair & Fabrication, Inc.

By: _____

Title: General Manager, Puget

For all of the affiliated Unions:

The Pacific Coast Metal Trades District Council

By: _____

Title: EXECUTIVE SECRETARY

The Puget Sound Metal Trades Council

By: _____

Title: EXECUTIVE SECRETARY

SCHEDULE "A" CLASSIFICATIONS 07/01/2012

Classification	New Total	Union Split	
		Wage	Fringe
Sheetmetal Journeyman	$ 36.54		
Painter Journeyman	$ 36.54		
Gen. Machinist Journeyman	$ 36.54		
Outside Machinist Journeyman	$ 36.54		
Tool Room Journeyman	$ 36.54		
Pipefitter Journeyman	$ 36.54		
Electrician Journeyman	$ 36.54		
Warehousemen	$ 36.54		
Truck Drivers	$ 36.54		
Fork Lift Operators	$ 36.54		
Op Engineer Journeyman	$ 36.54		
Stat. Engineer Journeyman	$ 36.54		
Prod. Material Department	$ 36.54		
Shipfitter	$ 36.54		
Rigger	$ 36.54		
Dry Dock Rigger	$ 36.54		
Welder	$ 36.54		
Burner	$ 36.54		
Laborer-On Shipboard Work	$ 35.44		
Laborer-Off Shipboard Work	$ 34.24		
Firewatch	$ 24.54		
Sandblaster	$ 36.54		
Tank Cleaner	$ 36.54		
Leadman (above Journeyman)	$ 1.38		
Foreman (above Journeyman)	$ 1.98		
General Foreman (above Journeyman)	$ 2.48		

These amounts include all pension plan improvement or rehabilitation contributions, surcharges, and/or payments required of the Company that have been identified up to the signing date of this agreement.

Wage and Fringe Increases

Effective 07/01/2013

Increase the total of wage and fringe by the percentage change in the Consumer Price Index – All Urban Consumers for Seattle-Tacoma-Bremerton, WA (Not Seasonally Adjusted) from April 2012 to April 2013. In no case will the total of wage and fringe increase be less than 1.5% or greater than 4.0%. Each Union should identify not later than 6/15/2013 how the new total of wage and fringe should be allocated between wages and the various elements of fringe.

Effective 07/01/2014

Increase the total of wage and fringe by the percentage change in the Consumer Price Index – All Urban Consumers for Seattle-Tacoma-Bremerton, WA (Not Seasonally Adjusted) from April 2013 to April 2014. In no case will the total of wage and fringe increase be less than 1.75% or greater than 4.0%. Each Union should identify not later than 6/15/2014 how the new total of wage and fringe should be allocated between wages and the various elements of fringe.

Effective 07/01/2015

Increase the total of wage and fringe by the percentage change in the Consumer Price Index – All Urban Consumers for Seattle-Tacoma-Bremerton, WA (Not Seasonally Adjusted) from April 2014 to April 2015. In no case will the total of wage and fringe increase be less than 2.0% or greater than 4.0%. Each Union should identify not later than 6/15/2015 how the new total of wage and fringe should be allocated between wages and the various elements of fringe.

Effective 07/01/2016

Increase the total of wage and fringe by the percentage change in the Consumer Price Index – All Urban Consumers for Seattle-Tacoma-Bremerton, WA (Not Seasonally Adjusted) from April 2015 to April 2016. In no case will the total of wage and fringe increase be less than 2.25% or greater than 4.0%. Each Union should identify not later than 6/15/2016 how the new total of wage and fringe should be allocated between wages and the various elements of fringe.

ALL CRAFTS

Apprentices	Per Standards
Helpers	
Step I	$ 16.59
Step II	$ 17.68

NEW HIRES

Laborers	
Step I	$ 16.59
Step II	$ 17.68
Step III	Journeyman
Helpers	
Step I	$ 15.48
Step II	$ 16.57
Journeyman	
Step I	$ 17.68
Step II	$ 18.77
Step III	Journeyman
Leadman (above Journeyman)	$ 1.38
Foreman (above Journeyman)	$ 1.98

STANDARDS

Journeymen and Apprentices:

1. Apprentices and trainees will convert from existing percentages of the previous Journeyman's rate to same percentage of new Journeyman's rate. The wage progression schedules currently in use will continue until changed by appropriate means.

2. Starting rates for all Journeymen mechanics hired after the effective date of this Agreement shall be as follows:

Step I	$ 17.68
Step II	$ 18.77
Step III	Journeyman

A new hire (Journeyman) may be hired into any of the above Step rates; however, after working ninety (90) days, the new hire will be reviewed as to his proper Step placement based on verifiable skill and ability. The review board shall consist of an industrial relations representative and the appropriate union business manager with the foreman of the department acting in advisory capacity. The Union(s) will be advised of the final decision and shall have the right to grieve any placement with which they disagree.

Any Journeyman new hire who has completed a state approved Apprentice/Trainee Program will be placed immediately in Step III.

Journeyman new hires with 6,000 hours experience in related industry as demonstrated through Union records will be placed immediately in Step III.

Journeyman new hires shall progress from Step I to Step II after 1,000 hours worked and from Step II to Step III after an additional 2,000 hours worked. Journeymen may also be moved from one Step to a higher Step based on a recommendation by the foreman of the department and subsequent approval by the review board.

Laborers: Laborers hired after the effective date of this Agreement will be paid as follows:

Step I	$ 16.59
Step II	$ 17.68
Step III	Journeyman

Laborers shall progress from Step I to Step II after 1,000 hours, and from Step II to Step III after an additional 2,000 hours. Laborers shall be paid at tank cleaner's and scaler's rate while cleaning areas defined under Article 13 (Dirty Work).

Laborers using heavy pneumatic tools (e.g. jackhammers) will receive the Sandblaster's rate of pay.

Helpers: Helpers hired after the effective date of this Agreement will be paid as follows:

Step I	$ 15.48
Step II	$ 16.57

Helpers shall progress from Step I to Step II after 2,000 hours.

HELPERS

It is the intent of the parties signatory hereto, to utilize helpers for unskilled/semi-skilled work. Along this line, a committee shall be formed to review any abuse of the helper's intended functions. Such committee will be comprised of two management representatives and two union representatives. It is further understood that helpers are a separate seniority classification. Employees hired as helpers may assist journeymen employees by:

1. Assist higher classified employees

2. Using simple hand tools (hammer, pliers, etc.)

3. Performing work of a routine, repetitive nature where tolerances and precision are not a factor.

4. Using power tools such as grinders, sanders, washers.

5. Parts and tool chaser.

6. Parts cleaner.

7. Firewatch

This list is intended to be examples of the type of work that the parties agree is properly performed by helpers; it is not intended as an exclusive or exhaustive list of acceptable helper assignments.

It is understood and agreed that helpers shall work under the direct supervision of a journeyman or leadperson assisting in the performance of the work of their trade. (This provision does not apply to helpers assigned to a composite crew.)

RECALLED EMPLOYEES

Any employee on the payroll as of the date of ratification and any employee with seniority recall rights as of the date of ratification who is laid off and recalled during the life of this Agreement shall be paid at least the same base rate upon recall as he was paid upon his layoff.

SHIFT DIFFERENTIAL

The second and third shift premium shall be $.75 per hour, in addition to the employees' regular pay.